

**SENATE, No. 4013**

---

**STATE OF NEW JERSEY**

**219th LEGISLATURE**

---

INTRODUCED JUNE 28, 2021

**Sponsored by:**  
**Senator JOSEPH PENNACCHIO**  
**District 26 (Essex, Morris and Passaic)**

**SYNOPSIS**

Imposes moratorium on affordable housing litigation until December 31, 2028.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT imposing a temporary moratorium on affordable housing  
2 litigation.

3  
4 BE IT ENACTED by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. a. Any litigation or action concerning the obligation of a  
8 municipality to provide its fair share of affordable housing for the  
9 10-year period beginning in 2025 pursuant to P.L. 2001, c.435  
10 (C.52:27D-307) and the Supreme Court's decision in In re N.J.A.C.  
11 5:96 & 5:97, 221 N.J. 1 (2015), also known as the "Fourth Round"  
12 of affordable housing obligations, shall not commence until January  
13 1, 2029.

14 b. Nothing in this act shall be construed to impair or affect in  
15 any way any judgement or settlement of any litigation or action  
16 concerning the obligation of a municipality to provide its fair share  
17 of affordable housing that was issued or executed prior to the  
18 effective date of this act.

19  
20 2. This act shall take effect immediately and shall expire on  
21 December 31, 2028.

22  
23

24 STATEMENT

25

26 This bill would impose a moratorium on affordable housing  
27 litigation in the State in order to provide the Legislature an  
28 opportunity to craft an alternative to litigation for the Fourth Round  
29 of affordable housing obligations set to begin in 2025.

30 Litigation over fair share affordable housing obligations has been  
31 ongoing for decades, yet has produced little affordable housing or  
32 clarity on the issue. This litigation has been a great expense to  
33 municipalities that is ultimately borne by the taxpayers. Moreover,  
34 as the Supreme Court of New Jersey has recognized, the myriad of  
35 issues concerning affordable housing are policy matters best left to  
36 the purview of the Legislature. Accordingly, it is appropriate and  
37 fitting and in the public interest to pause litigation regarding the  
38 Fourth Round of municipal affordable housing obligations in order  
39 to allow for the development of new guidelines that will determine  
40 affordable housing obligations in a more efficient manner.

41 In addition, the current high cost of and demand for construction  
42 materials related to the COVID-19 pandemic has made it  
43 exceedingly difficult to produce the actual affordable housing  
44 sought by litigation.

**S4013 PENNACCHIO**

3

1   Delaying the start of the Fourth Round of affordable housing  
2   obligations will allow market forces affecting the cost of building  
3   materials to normalize in a more stable post-pandemic economy,  
4   and thereby allow for a more realistic opportunity to create actual  
5   affordable housing.

6       The moratorium would be effective from the date that the bill is  
7   enacted through December 31, 2028.